#12

18

84th Congress
2d Session

COMMITTEE PRINT NO. 2

ANALYSIS OF S. 2875

A BILL

"TO REVISE THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED"

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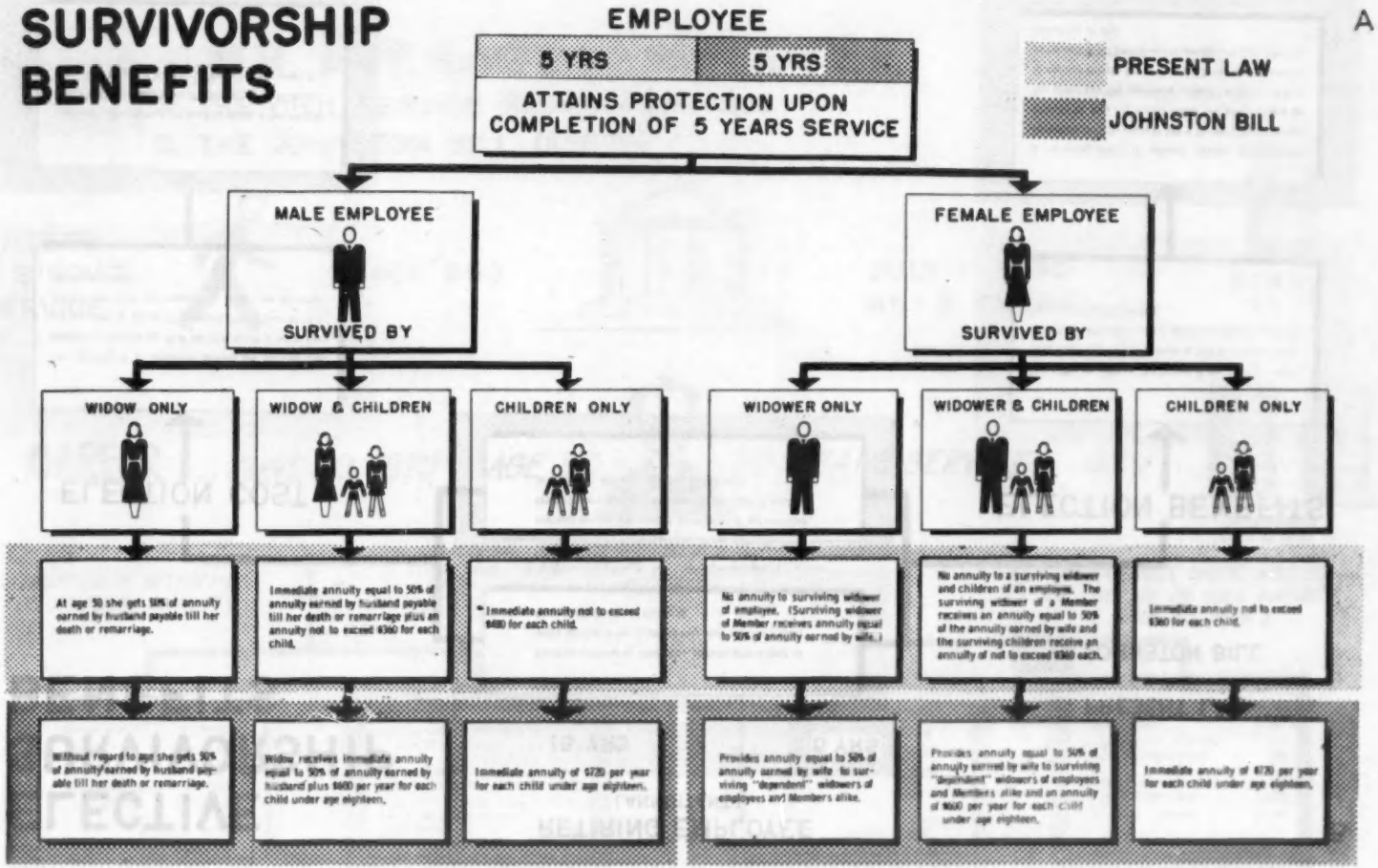
SURVIVORSHIP BENEFITS


EMPLOYEE
5 YRS
5 YRS
ATTAINS PROTECTION UPON COMPLETION OF 5 YEARS SERVICE
PRESENT LAW
JOHNSTON BILL
MALE EMPLOYEE
SURVIVED BY
FEMALE EMPLOYEE
SURVIVED BY
WIDOW ONLY
WIDOW & CHILDREN
CHILDREN ONLY
WIDOWER ONLY
WIDOWER & CHILDREN
CHILDREN ONLY
At age 50 she gets 55% of annuity earned by husband payable till her death or remarriage.
Immediate annuity equal to 50% of annuity earned by husband payable till her death or remarriage plus an annuity not to exceed $360 for each child.
* Immediate annuity not to exceed $480 for each child.
No annuity to surviving widower of employee. (Surviving widower of Member receives annuity equal to 50% of annuity earned by wife.)
No annuity to a surviving widower and children of an employee. The surviving widower of a Member receives an annuity equal to 50% of the annuity earned by wife and the surviving children receive an annuity of not to exceed $360 each.
Immediate annuity not to exceed $360 for each child.
Without regard to age she gets 50% of annuity earned by husband payable till her death or remarriage.
Widow receives immediate annuity equal to 50% of annuity earned by husband plus $600 per year for each child under age eighteen.
Immediate annuity of $720 per year for each child under age eighteen.
Provides annuity equal to 50% of annuity earned by wife to surviving "dependent" widowers of employees and Members alike.
Provides annuity equal to 50% of annuity earned by wife to surviving "dependent" widowers of employees and Members alike and an annuity of $600 per year for each child under age eighteen.
Immediate annuity of $720 per year for each child under age eighteen.

ELECTIVE SURVIVORSHIP BENEFITS

RETIRING EMPLOYEE
(ANNUITANT)

15 YRS | 5 YRS

PRESENT LAW

JOHNSTON BILL

Employee retiring on immediate annuity with at least 15 years service or for disability may elect survivorship in favor of either wife or husband.

Reduces service prerequisite for election of survivorship from 15 years to 5 years and extends the right of election to employees who receive deferred annuities.

ELECTION COST

The annuity of an employee making the survivorship election is reduced by 5% of the first $1,500 of his or her annuity and by 10% of all in excess thereof plus 3/4 of 1 percent for each year spouse is under age 60 when employee retires.

Removes the reduction on the first $2,400 of the employees annuity but leaves the 10% penalty on all in excess thereof. Removes reduction for spouse being under 60.

ELECTION BENEFITS

The widow or widower designated at the time of retirement receives an annuity equal to 50% of the annuitants earned annuity beginning at age 50 and payable until the survivor remarries or dies.

A surviving widow or widower receives an automatic immediate annuity equal to 50% of the annuitants earned annuity as does not exceed $2400 and when elected by the annuitans the surviving widow or widower receives in addition thereto 50% of the annuitants earned annuity as exceeds $2400 both amounts payable until the survivor remarries or dies.

THE CASE OF MR. AVERAGE EMPLOYEE

UNDER A. THE CIVIL SERVICE RETIREMENT ACT
B. THE JOHNSTON BILL (S2875)

PRESENT LAW
JOHNSTON BILL

ENTERS U. S. GOV'T. SERVICE

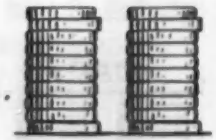
(AGE 25)

JULY 1, 1940
GS-2 CLERK

$1440 PER YR.

CAREER ... JUNE 30, 1970 AGE 55

30 YEARS SERVICE ... GS-7 ...



$4800

HE MAY ELECT

A — IMMEDIATE RETIREMENT ON REDUCED ANNUITY

Average salary	9470
Times 1%	47
Plus 625	72
Times service (30 yrs.)	2160
Less 15%	324
Annuity	1836

Average salary	4, 700
a. First 5 years: 1% of salary plus 625 times 5 equals	360
b. Next 25 years: 2% of salary times 25 years equals	2, 250
Earned Annuity	2, 710
Less 6-10ths penalty for being under age 60	169
Annuity	2, 541

B — TO CONTINUE UNTIL AGE 60 AND RETIRE ON FULL ANNUITY (JUNE 30, 1975)

Average salary	4800
Times 1%	48
Plus 625	73
Times service (35 yrs.)	2555
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Annuity	2555

Average salary	6, 800
a. First 5 years: 1% of salary plus 625 times 5 equals	305
b. Next 30 years: 2% of salary times 30 years equals	2, 880
Annuity	3, 185

THE CASE OF MR. AVERAGE EMPLOYEE

UNDER A. THE CIVIL SERVICE RETIREMENT ACT
B. THE JOHNSTON BILL (S2875)

PRESENT LAW
JOHNSTON BILL

ENTERS U. S. GOV'T. SERVICE

(AGE 25)

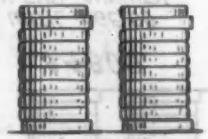
JULY 1, 1940
GS-2-CLERK

$1440 PER YR.

DEATH ... OCCURS JUNE 30, 1956

AGE 41

16 YEARS SERVICE GS-5



$ 3800

BENEFITS TO WIDOW AND 3 CHILDREN

PRESENT LAW

Widow receives 50% of his earned annuity ($6756)	$408
Plus $264 for each child	792
Total Family Annuity	$1220

JOHNSTON BILL

Widow receives 50% of his earned annuity ($1151)	$576
Plus $600 for each child	1800
Total Family Annuity	$ 2376

THE CASE OF MR. AVERAGE EMPLOYEE

UNDER A. THE CIVIL SERVICE RETIREMENT ACT
B. THE JOHNSTON BILL (S2875)

PRESENT LAW
JOHNSTON BILL

C-3

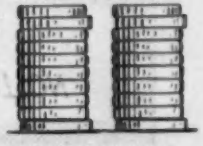
ENTERS U. S. GOV'T. SERVICE

(AGE 25)

JULY 1, 1940
GS-2 CLERK

$1440 PER YR.

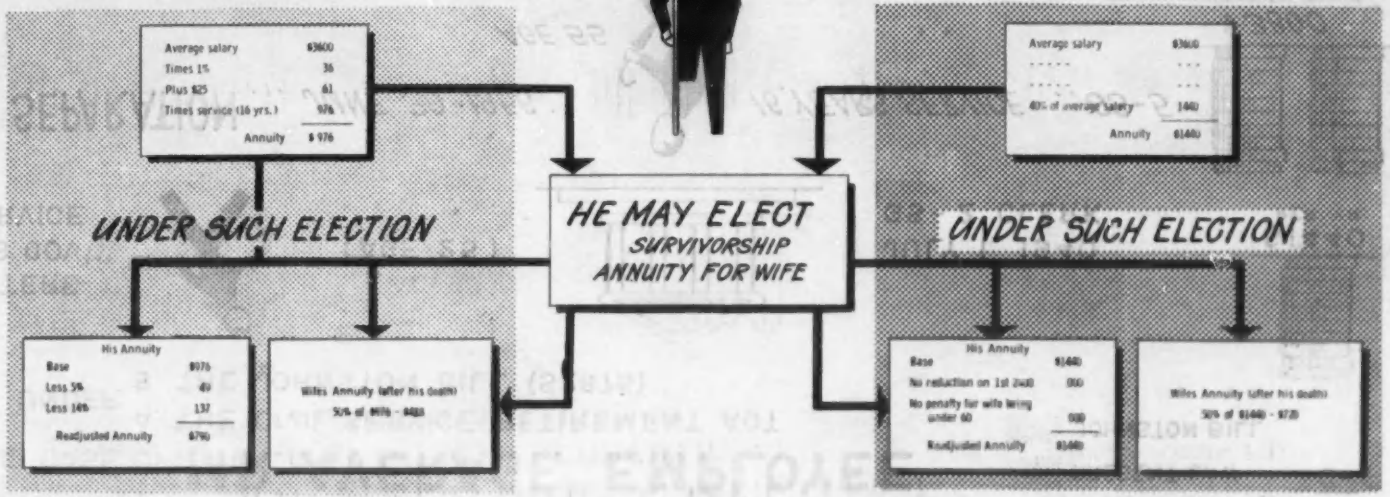
$3800



TOTAL DISABILITY

OCCURS JUNE 30, 1956...AGE 41

16 YEARS SERVICE ... GS-5



ANALYSIS OF S. 2875

5

THE CASE OF MR. AVERAGE EMPLOYEE

UNDER A. THE CIVIL SERVICE RETIREMENT ACT
B. THE JOHNSTON BILL (S2875)

PRESENT LAW
JOHNSTON BILL

ENTERS U. S. GOV'T. SERVICE

(AGE 25)

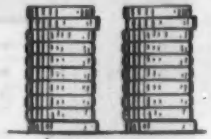
JULY 1, 1940
GS-2 CLERK

$1440 PER YR.

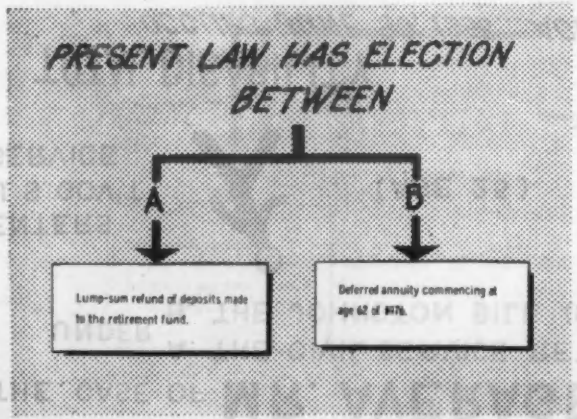
SEPARATION ... JUNE 30, 1956

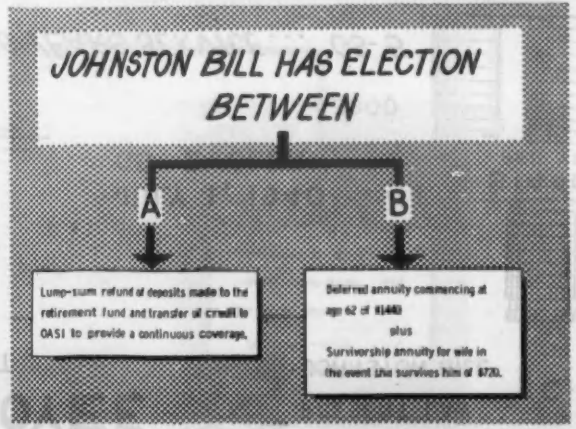
AGE 55

16 YEARS SERVICE ... GS-5



$3800


PRESENT LAW HAS ELECTION BETWEEN
A
B
Lump-sum refund of deposits made to the retirement fund.
Deferred annuity commencing at age 62 of $976.


JOHNSTON BILL HAS ELECTION BETWEEN
A
B
Lump-sum refund of deposits made to the retirement fund and transfer of credit to OASI to provide a continuous coverage.
Deferred annuity commencing at age 62 of $1440
plus
Survivorship annuity for wife in the event she survives him of $720.